

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2019**

**Course: BBA DM**  
**Programme: Business Accounting**

**Semester: I**  
**S.Code:FINC1001**  
**Max. Marks: 100**

**Time: 03 hrs.**

**Instructions: ALL QUESTIONS ARE COMPULSORY**

**SECTION A (20 Marks)**

S. No.	Multiple Choice Questions	Marks	CO
Q 1	Any written evidence in a support of the business transaction is called a) Journal b) Ledger c) Ledger posting d) Voucher	2	1
Q 2	The account that records expenses, gains and losses is a) Personal account b) Real account c) Nominal account d) None of the above	2	2
Q 3	Balance Sheet is a statement of a) Assets b) Liabilities c) Capital d) All of the above	2	1
Q 4	The following is a statement of revenues and expenses for a specific period of time a) Trading account b) Trial Balance c) Profit & Loss statement d) Balance Sheet	2	1
Q 5	Liquid or Quick assets= a) Current assets – (Stock + Work in progress) b) Current assets + Stock + Work in progress c) (Current assets + Stock) + Work in progress) d) (Current assets + Work in progress) – (Stock)	2	2
Q 6	Return on Investment Ratio (ROI)= a) (Gross profit/Net Sales)*100 b) (Gross profit*Sales/Fixed assets)*100 c) (Net profit/Sales)*100 d) (Net profit/Total assets)*100	2	2
Q 7	The accounting process involves recording	2	3

	<ul style="list-style-type: none"> <li>a) Quantifiable economic event</li> <li>b) Non Quantifiable economic event</li> <li>c) All of them</li> <li>d) None of them</li> </ul>		
Q 8	<p>In accounting, an economic event is referred to as</p> <ul style="list-style-type: none"> <li>a) Cash</li> <li>b) Bank Statement</li> <li>c) Transaction</li> <li>d) Exchange of money</li> </ul>	<b>2</b>	<b>3</b>
Q 9	<p>Liabilities are which of the following?</p> <ul style="list-style-type: none"> <li>a) Resources</li> <li>b) Obligations</li> <li>c) Future benefits</li> <li>d) Expenses</li> </ul>	<b>2</b>	<b>3</b>
Q 10	<p>Identify the asset from the following</p> <ul style="list-style-type: none"> <li>a) Cash or cash equivalent</li> <li>b) Creditors</li> <li>c) Notes payable</li> <li>d) Bank Loan</li> </ul>	<b>2</b>	<b>3</b>

**SECTION B (20 Marks)**

Q1	Why cash flow is important for the business. Explain.	<b>4</b>	<b>2</b>
Q2	Identify difference between operating activities, financing activities and investing activities.	<b>6</b>	<b>2</b>
Q3	Explain current ratio, net Margin ratio, Debt-equity ratio and receivable Turnover Ratio.	<b>4</b>	<b>2</b>
Q4	How accounting cycle is significant in the accounting. Explain.	<b>6</b>	<b>2</b>

**SECTION-C (30 Marks)**

Q 1	<p><b>From the following balances of Siya Ram Saree Bhandar, prepare a Balance sheet as at 31<sup>st</sup> March 2017.</b></p>																							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">Dr.</th> <th style="width: 20%;">Cr.</th> </tr> </thead> <tbody> <tr> <td>Plant and Machinery</td> <td style="text-align: right;">8,00,000</td> <td></td> </tr> <tr> <td>Land and Building</td> <td style="text-align: right;">6,00,000</td> <td></td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">1,50,000</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td></td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td>debtors and Creditors</td> <td style="text-align: right;">3,20,000</td> <td style="text-align: right;">2,40,000</td> </tr> </tbody> </table>	Particulars	Dr.	Cr.	Plant and Machinery	8,00,000		Land and Building	6,00,000		Furniture	1,50,000		Cash in hand		20,000	Bank overdraft		1,80,000	debtors and Creditors	3,20,000	2,40,000	<b>10</b>	<b>3</b>
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debtors and Creditors	3,20,000	2,40,000																						

	Bills Receivable and Bills Payable	1,00,000	60,000		
	Closing Stock	4,00,000			
	Investments(Short- term)	80,000			
	Capital		15,00,000		
	Drawings	1,30,000			
	Net Profit		6,20,000		
		<b>26,00,000</b>	<b>26,00,000</b>		
Q2	<p>Zing Limited has current assets of Rs. 4,650,000 and current liabilities of Rs. 1,850,000. The current assets include inventories amount of Rs. 1,100,000.</p> <p>a) Calculate the current ratio and liquid ratio for the company.</p> <p>b) What will be the impact of the following transactions on the current ratio:</p> <p>i) Goods costing Rs. 800,000 are purchased on credit.</p> <p>ii) Machine purchased for Rs. 1,000,000 and is paid for in cash.</p> <p>iii) Cash collected from sundry debtors Rs. 500,000.</p> <p>iv) Goods are sold for cash for Rs. 750,000.</p>			<b>10</b>	<b>2</b>

Q3	Complete the following balance sheet and profit and loss account based on the information given as follows:				10	2
	Liabilities	Amount (Rs. In thousand)	Assets	Amount (Rs. In thousand)		
	Current liabilities		Cash			
	Long-term debts		Inventory			
	Equity capital	60,000	Trade receivables			
			Total current assets			
	Reserve and surplus					
	Shareholders' funds	100,000	Fixed assets			
	Total		Total			
	<b>Profit and Loss Account</b>					
Particulars	Amount (Rs. In thousands)					
Sales	100,000					
Less: Cost of goods sold						
Gross profit						
Less: Selling and administrative expenses						
Net profit						
Current Ratio	1.40 times					
Debt-Equity Ratio	0.55 times					
Total Assets Turnover Ratio	0.5 times					
Inventory Turnover Ratio	7.5 times					
Receivables Turnover Ratio	5 times					
Gross Margin Ratio	25%					
Net Margin Ratio	10%					

**SECTION-D (30 Marks)**

Q1	On the basis of the profit and loss statement for the year ended 31 <sup>st</sup> March 2011, balance sheets as on 31 <sup>st</sup> March 2011 and 2010, respectively, and the additional information, prepare the cash flow statement for the year 2010-11.				30	3	
	<b>Balance Sheet as on 31<sup>st</sup> March</b>						
	Particulars		2011				2010
	Equity and liabilities						
	Shareholders' funds						

Share capital	75,000		62,500	
Reserves	170,500		69,000	
		245,500		131,500
Long-term debt		55,500		52,000
Current liabilities				
Trade payables	7500		94,500	
Interest outstanding	11,500		5000	
Income taxes payable	20,000	39,000	50,000	149,500
<b>Total</b>		340,000		333000
<b>Assets</b>				
Non-current assets				
Fixed assets				
Gross block	109,000		95,500	
Less: Acc. depreciation	74,000		53,000	
Net block		35,000		42,500
Long term investments		125,000		125,000
Current assets				
Short term-investments	35,000		6750	
Cash in hand	10,000		1250	
Trade receivables	105,000		75,000	
Less: Provision	20,000		15,000	
Interest receivables	5000		0	
Inventories	45,000	180,000	97,500	165,500
<b>Total</b>		340,000		333,000

**Profit and loss statement for the period ended 31<sup>st</sup> March 2011**

Sales	1532,500
Interest income	15,000
Dividend income	10,000
	1557,500
Cost of goods sold	1295,000
Depreciation	22,500
Provision for doubtful debts	5000
Administration and selling expenses	45,500
Loss on sale of asset	2000
Interest expense	20,000
	1390,000
Profit before tax and extra-ordinary items	167,500

	Insurance receipts (Extra ordinary)	9000		
	Provision for income tax	15,000		
	Profit after tax	161,500		
	<p>Additional Information:</p> <p>a) Dividend paid during the year amounted to Rs. 60,000.</p> <p>b) Fresh loans taken during the year Rs. 12,500.</p> <p>c) During the year a machine with an original cost of Rs. 4,000 and accumulated depreciation of Rs. 1,500 was sold for Rs. 500.</p>			